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**SUBSTITUTE SENATE BILL 5292**

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**State of Washington**

**57th Legislature**

**2001 Regular Session**

**By** Senate Committee on Environment, Energy & Water (originally sponsored by Senators T. Sheldon, McDonald, Fraser, Hochstatter, Regala, Stevens, Kastama, Snyder, Honeyford, Patterson, Eide and Hale)

READ FIRST TIME 02/19/01.

1 AN ACT Relating to modifying definitions of public energy projects;  
2 amending RCW 80.52.030; and adding a new section to chapter 80.52 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 80.52.030 and 1995 c 69 s 2 are each amended to read  
5 as follows:

6 The definitions set forth in this section apply throughout this  
7 chapter unless the context clearly requires otherwise.

8 (1) "Public agency" means a public utility district, joint  
9 operating agency, city, county, or any other state governmental agency,  
10 entity, or political subdivision.

11 (2) "Major public energy project" means a nuclear power plant ((or  
12 ~~installation capable, or intended to be capable, of generating~~  
13 ~~electricity in an amount greater than two hundred fifty megawatts,~~  
14 ~~measured using maximum continuous electric generating capacity, less~~  
15 ~~minimum auxiliary load, at average ambient temperature and pressure.~~  
16 ~~Where two or more such plants are located within the same geographic~~  
17 ~~site, each plant shall be considered a major public energy project. An~~  
18 ~~addition to an existing facility is not deemed to be a major energy~~  
19 ~~project unless the addition itself is capable, or intended to be~~

1 ~~capable, of generating electricity in an amount greater than two~~  
2 ~~hundred fifty megawatts)).~~ A project which is under construction on  
3 July 1, 1982, shall not be considered a major public energy project  
4 unless the official agency budget or estimate for total construction  
5 costs for the project as of July 1, 1982, is more than two hundred  
6 percent of the first official estimate of total construction costs as  
7 specified in the senate energy and utilities committee WPPSS inquiry  
8 report, volume one, January 12, 1981, and unless, as of July 1, 1982,  
9 the projected remaining cost of construction for that project exceeds  
10 two hundred million dollars.

11 (3) "Cost of construction" means the total cost of planning and  
12 building a major public energy project and placing it into operation,  
13 including, but not limited to, planning cost, direct construction cost,  
14 licensing cost, cost of fuel inventory for the first year's operation,  
15 interest, and all other costs incurred prior to the first day of full  
16 operation, whether or not incurred prior to July 1, 1982.

17 (4) "Cost of acquisition" means the total cost of acquiring a major  
18 public energy project from another party, including, but not limited  
19 to, principal and interest costs.

20 (5) "Bond" means a revenue bond, a general obligation bond, or any  
21 other indebtedness issued by a public agency or its assignee.

22 (6) "Applicant" means a public agency, or the assignee of a public  
23 agency, requesting the secretary of state to conduct an election  
24 pursuant to this chapter.

25 (7) "Cost-effective" means that a project or resource is forecast:

26 (a) To be reliable and available within the time it is needed; and

27 (b) To meet or reduce the electric power demand of the intended  
28 consumers at an estimated incremental system cost no greater than that  
29 of the least-cost similarly reliable and available alternative project  
30 or resource, or any combination thereof.

31 (8) "System cost" means an estimate of all direct costs of a  
32 project or resource over its effective life, including, if applicable,  
33 the costs of distribution to the consumer, and, among other factors,  
34 waste disposal costs, end-of-cycle costs, and fuel costs (including  
35 projected increases), and such quantifiable environmental costs and  
36 benefits as are directly attributable to the project or resource.

37 NEW SECTION. **Sec. 2.** A new section is added to chapter 80.52 RCW  
38 to read as follows:

1 (1) Before approving financing for any large public energy project  
2 that is not subject to the voter approval requirements of this chapter,  
3 a public agency must submit to its governing board a cost-effectiveness  
4 study pertaining to the project under consideration. The study must be  
5 prepared by an independent consultant and must be available for public  
6 review and comment for at least thirty days after submission to the  
7 governing board.

8 (2) At the end of the thirty-day period, the public agency must  
9 conduct a public hearing on the project under consideration and the  
10 cost-effectiveness study. Notice of the public hearing must provide at  
11 least the following information:

12 (a) The name, location, and type of large public energy project,  
13 expressed in common terms;

14 (b) The dollar amount and type of bonds being requested;

15 (c) If the bond issuance is intended to finance the acquisition of  
16 all or a portion of the project, the anticipated total cost of the  
17 acquisition of the project;

18 (d) If the bond issuance is intended to finance the planning or  
19 construction of all or a portion of the project, the anticipated total  
20 cost of construction of the project;

21 (e) The projected average rate increase for consumers of the  
22 electricity to be generated by the project. The rate increase must be  
23 that which is necessary to repay the total indebtedness incurred for  
24 the project, including estimated interest;

25 (f) A summary of the final cost-effectiveness study conducted under  
26 subsection (1) of this section;

27 (g) The anticipated functional life of the project; and

28 (h) The anticipated decommissioning costs of the project.

29 (3) For the purposes of this section, a "large public energy  
30 project that is not subject to the voter approval requirements of this  
31 chapter" means a nonnuclear plant or installation capable, or intended  
32 to be capable, of generating electricity in an amount greater than two  
33 hundred fifty megawatts, measured using maximum continuous electric  
34 generating capacity, less minimum auxiliary load, at average ambient  
35 temperature and pressure. Where two or more such plants are located  
36 within the same geographic site, each plant is considered a large  
37 public energy project. An addition to an existing facility is not a  
38 large public energy project unless the addition itself is capable, or

1 intended to be capable, of generating electricity in an amount greater  
2 than two hundred fifty megawatts.

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